international airpots of the country except those flights which are flagged "senstive" by the customs authorities;

(b) if so, the details thereof and the reasons therefor; and

(c) whether there is an apprehension that once the routine customs checks are non-existent the smuggling activities will proliferate and the concerned customs officials will no longer be held accountable for the lapses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir.

(b) and (c) Do not arise.

Gross vis-a-vis net Profit of the Banks

†1004. SHRI RAJNATH SINGH "SURYA": Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Gross Profit of Banks increased whereas their net profit has decreased;

(b) if so, the reasons therefor; and

(c) what necessary steps are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) The Reserve Bank of India (RBI) has reported that the gross profit of public sector banks, as a group, was Rs. 13792.96 crore during the year 2000-2001, against Rs. 13066.36 crore during the year 1999-2000, representing an increase of Rs. 726.60 crore. RBI has further reported that the net profit of public sector banks as a group was Rs. 4316.97 crore during the year 2000-2001, against Rs. 5116.18 crore during 1999-2000, representing a decrease by Rs. 799.21 crore.

(b) The reason for decrease in net profit of public sector banks was extra expenditure of Rs. 3062.60 crore on account of VRS during the year.

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†Original notice of the Question was received in Hindi.

(c) The public sector banks are taking concerted steps to increase their profitability by rationalizing their branch network, abolition of zonal offices, reduction of NPAs, lowering costs of deposits, increasing productivity etc.

Transfer of Assets by M/s. Seagram

1005. SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "DRI wants transfer of Seagram assets stopped" which appeared in the Economic Times, New Delhi dated the 21st June, 2001;

(b) if so, what are the details of transfer of assets by Seagram to other companies;

(c) whether it is a fact that Seagram is misdeclaring and under-valuing bulk scotch concentrates and evading custom duties for the last many years; and

(d) if so, what are the details of evasion of custom duties by Seagram as on 30th June, 2001 and action proposed to be taken by Government for recovery of customs duty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN: (a) Yes, Sir.

(b) to (d) Investigations conducted by the DRI has revealed that M/s. Seagram Manufacturing Ltd. have evaded customs duty to the tune of Rs. 37.96 crores by way of misdeclaration of value, quantity and classification of scotch whiskey concentrate imported goods during the period from 1994-95 upto June, 2000. A show cause notice demanding the said customs duty amounting to Rs. 37.96 crores has already been issued by DRI on 19.12.2000. Further, a prosecution complaint under the provisions of the Customs Act, 1962 has also been launched against M/s. Seagram Manufacturing Ltd. and its officials. Another show cause notice for alleged duty evasion of Rs. 12 crores for the period from July, 2000 to June, 2001 is in the process of being issued to the party. Department of Food Processing